



Rialtas na hÉireann
Government of Ireland

Spending Review 2021 – Analysis of Social Housing Current Expenditure Programme

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Spending Review 2021 – Overview, Aims & Objectives



Overview

- Looking to build on the large body of research in the housing policy area
- In recent years the spending review has covered wide ranging topics, such as:
 - 2018: Current and Capital Expenditure on Social Housing Delivery Mechanisms
 - 2019: Analysis of Social Housing Acquisitions
 - 2020: Analysis of Social Housing Build Programme
 - 2021: Analysis of 2019 Social Housing Acquisitions Programme

Aims and Objectives

- This analysis looks to build on these papers by looking at social housing delivery under the SHCEP (Social Housing Current Expenditure Programme), which includes leasing and P&A-CALF agreements
- The combination of these spending review papers has allowed for a significant body of research to build in the social housing policy area

Spending Review 2021 – Key Findings



Key Policy Relevant Findings

- The use of SHCEP for the delivery of social housing has grown substantially over recent years. SHCEP units made up 23% of overall units delivered from 2016 to 2020. This was higher in some LA areas, such as Dublin City (51%).
- Expenditure has increased by 495% since 2015, while output has increased by just 230%. The average lease/P&A cost per month for units agreed in 2016 was €920 compared to €1,085 in 2020.
- The average monthly payment for SHCEP units varies significantly by LA. In the likes of Donegal, Sligo and Leitrim it is below €600 while in each of the Dublin LAs it is in excess of €1300. This is unsurprising as the payment determined for each unit is linked to market rent.

Spending Review 2021 – Key Findings



Key Policy Relevant Findings

- P&A-CALF units despite being the most common, also had the highest estimated Net Present Cost (NPC). The estimated NPC of the P&A-CALF units was relatively on par with the average cost of other delivery mechanisms (i.e. direct build and acquisition). However, it is the AHB and not the State or LA who owns the asset at the end of the P&A agreement. While AHBs do play a vital role in the provision of social housing, were a particular unit be required for social housing at the end of a P&A agreement, there may still be an ongoing exchequer cost that is not the case in terms of LA direct build or acquisition.
- The new Housing for All strategy places a focus on construction in social housing delivery and a move away from leasing. However, this increase in construction will be delivered by both the LAs directly and by AHBs through the CALF P&A. As such, it is anticipated that P&A-CALF units will become the predominant delivery mechanism funded under SHCEP in the future.